



For Immediate Release
November 21, 2006
Toronto, Ontario

Symbol – AQA
Exchange – TSX Venture
Shares Outstanding: 53,305,615

AQUILA ANNOUNCES FINANCING FOR BACK FORTY PROJECT

AQUILA RESOURCES INC. (TSX-V: AQA – Frankfurt: JM4A) (“Aquila” or the “Company”) is pleased to announce that it has entered into an agreement with a syndicate led by Jennings Capital Inc. (the “Lead Agent”) and Wellington West Capital Markets Inc., to complete a private placement offering (the “Offering”), on a best efforts basis, of 6,060,606 units of the Company (“Units”) to qualified investors at a price of \$1.65 per Unit for aggregate gross proceeds of \$10,000,000. Each Unit is comprised of one common share and one-half of one transferable common share purchase warrant. Each whole warrant will entitle the holder, upon exercise, to acquire one common share of the Company at an exercise price of \$2.15 for a period of 24 months after the closing of the private placement, subject to the Company’s right to accelerate the expiry date as described below. The Company will pay the Agent, subject to a President’s List exclusion, a cash commission equal to 7% of the gross proceeds, and will issue to the Agent upon closing broker warrants equal to 7% of the number of Units issued under the Offering.

In addition the Company has granted the Agent, an over-allotment option, to be sold on a best efforts basis, exercisable at any time up to 48 hours prior to the closing date, to increase the size of the Offering up to an additional 3,030,303 Units for additional gross proceeds of \$5,000,000, which would increase the total Offering to \$15,000,000 if fully subscribed.

The securities issued in the private placement will be subject to a hold period of four months plus one day from the closing. After the expiration of the hold period the Company has the right to accelerate the expiry date of the warrants if the closing price of the Company’s common shares exceeds \$2.65 for a period of 20 consecutive trading days in which case the warrants will expire on the 20th business day following the date of the Company giving notice of the acceleration.

The financing is scheduled to close on or about December 17, 2006 and is subject to regulatory approval and completion of definitive documentation. Proceeds from the Offering will be used to fund ongoing exploration and development activities primarily on the Back Forty project in Michigan, for property acquisition and for general corporate purposes.

This News Release is not for dissemination in the United States or to any United States News Services. The common shares of Aquila have not and will not be registered under the *United States Securities Act of 1933, as amended*, (the “US Securities Act”) or any state’s securities laws and may not be offered or sold in the United States or to any US person except in certain transactions exempt from the registration requirements of the *US Securities Act* and applicable state securities laws. The common shares will be offered on a private placement basis in Ontario, British Columbia and Alberta, and may also be offered on a private placement basis to institutional investors in other jurisdictions worldwide.

For further information please contact the Company at telephone 416 203-1404, or e-mail info@aquilaresources.com.

ON BEHALF OF THE BOARD

“Thomas O. Quigley”

Thomas O. Quigley, President and CEO

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the contents of this release.

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